

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

EPL OIL & GAS, LLC, §
§
Plaintiff, §
§
v. §
§ CASE NO. 6:22-CV-208-JDK
TRIMONT ENERGY (NOW), LLC §
and WHITNEY OIL AND GAS, LLC, §
§
Defendants. §

DECLARATION OF J. HUNTER COATES

I, J. Hunter Coates, under 28 U.S.C. § 1746, declare as follows:

1. I am over eighteen years of age and have personal knowledge of the facts set forth in this Declaration.
2. I am the Chief Executive Officer of both Trimont Energy (NOW), LLC and Whitney Oil & Gas, LLC (collectively, “Whitney”).
3. I am familiar with the Purchase and Sale Agreement executed between Whitney, on the one hand, and EPL Oil & Gas, LLC (“EPL”), on the other, on or about June 30, 2015, as may have been amended between the aforementioned parties from time to time (collectively, the “PSA”).
4. The Devon Bonds identified in § 7.08 of the PSA relate to, among other things, abandonment and decommissioning obligations associated with wells, property and equipment located on federal leases within the outer Continental Shelf (the “OCS”) pursuant to the terms of a trust agreement, dated March 31, 2000, by and between Ocean Energy, Inc. (the predecessor in title to Devon Energy

Corporation, hereinafter “Devon”) and Energy Partners, Ltd. (EPL’s predecessor in title) (collectively, the “Trust Agreement”).

5. As described in Section 11 of the Trust Agreement, the Devon Bonds were required to “secure the performance of all obligations of [EPL] to be responsible for and comply with all duties and obligations of [Devon] with respect to the Assets, including any governmental request or requirement to plug, re-plug, and/or abandon any well, platform, pipeline, structure, piling, foundation or other related facility . . .” (emphasis added). As a result, the Devon Bonds are required to be “from a good and sufficient commercial surety included on the list of acceptable sureties for Federal bonds as certified by the U.S. Department of the Treasury. . . .” (emphasis added).

6. Furthermore, the decommissioning costs secured by the Devon Bonds are vastly attributable to the costs estimated for the OCS leases. According to Bureau of Safety and Environmental Enforcement (“BSEE”) public records, the estimated probability of the decommissioning obligations associated with the Devon Bonds totals approximately \$90 million and, per the public records of the Bureau of Ocean Energy Management (“BOEM”), the federal bonds securing Whitney’s decommissioning obligations associated with the Devon Bonds exceed \$67 million.

7. But for federal requirements governing abandonment and decommissioning activities associated with wells, property, and equipment on federal leases on the outer Continental Shelf, § 7.08 of the PSA would not have existed.

8. I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 6th day of July, 2022 in Harris County, Texas



J. HUNTER COATES
Chief Executive Officer
Trimont Energy (NOW), LLC
Whitney Oil & Gas, LLC